

Bac Ninh, 22<sup>th</sup> April 2025

No. 150/BC-NST

**REPORT**  
**ON PRODUCTION AND BUSINESS ACTIVITIES IN 2024**  
**AND ORIENTATIONS AND TASKS IN 2025**  
**(Report by the Company's Director at the 2025 Annual General Meeting of Shareholders)**

**PART I: SUMMARY OF PRODUCTION AND BUSINESS ACTIVITIES IN 2024**

**1. Situation Overview**

**1.1. Challenges**

- The global situation has become increasingly complex, with economic downturns in major economies, rising inflation, the ongoing Russia-Ukraine war, and the Israel-Hamas conflict, as well as the prolonged Red Sea crisis, all impacting the global economy. These events particularly affect supply chains and consumer purchasing power. Additionally, foreign exchange rates and transportation costs have increased, which has raised sales costs.

- In the agricultural production sector in northern Vietnam in 2024, adverse weather conditions (excessive rainfall, limited sunshine) during the harvest and drying phases have negatively impacted both the yield and quality of raw materials post-drying (resulting in a higher proportion of low-grade products).

- Furthermore, the trend of speculative buying and selling in tobacco-growing regions in recent years has driven up raw material prices, particularly towards the end of the season. This has created a mentality among farmers to delay sales until prices rise, and has also led to non-compliance with contract terms, slow sales, and delays in procurement, which in turn affects the company's production and sales plans.

**1.2. Opportunities**

- The company has continued to receive close guidance and effective support from the leadership of the Vietnam National Tobacco Corporation regarding its general business operations, particularly in the production and consumption of raw materials. At the same time, the company has also received cooperation and facilitation from cigarette tobacco companies through the signing and implementation of a three-year consumption agreement, investment cooperation contracts, and tobacco raw material purchase agreements.

- The leadership and the workforce of the company have been united, highly determined, and proactive in implementing solutions to adapt to the changing business environment and conditions, which have helped the company maintain stable production, while improving the livelihoods and employment of employees..

- The company's industrial production activities have established a strong reputation and brand with customers, leading to a continuous increase in production output, with industrial production growing significantly compared to the same period

last year. Notably, in the summer of 2024, the government took decisive actions in managing and supplying electricity, ensuring uninterrupted industrial production at the company, meeting the customers' processing demands and the company's own production requirements.

In the field of trade and services: The company has continued to explore and expand its consumption markets beyond traditional distribution channels to increase sales volume, especially in export markets with potential customers that bring export revenue and foreign currency to the company. Particularly, there has been a focus on developing fiber products to enhance product value, boost revenue, and improve the company's efficiency.

## **2. Results of Production and Business Production Plan Implementation in 2024**

### **2.1. Production and business results in 2024**

In 2024, the Company implemented effective management strategies and worked diligently with the efforts of the entire workforce. Additionally, the Company consistently received close attention and guidance from the leadership of the parent company, as well as traditional cooperation with member cigarette companies of Vinataba and business partners, which helped the Company successfully achieve its goals for 2024. The estimated business performance indicators for 2024 are as follows:

- Realized total revenue: 872.554 million VND, equivalent to 102% of the 2024 plan and 123% compared to the previous year.

- Estimated pre-tax profit: 23.114 million VND, equivalent to 149% of the 2024 plan and 151% compared to the previous year.

- Return on equity (ROE): Estimated at 12,3%, equivalent to 146% of the 2024 plan and 150% compared to the previous year.

- Dividend payout ratio for 2024: Estimated at 10%, equivalent to 133% of the 2024 plan and 154% compared to the previous year.

- Corporate income tax paid for 2024: 4.741 million VND, equivalent to 153% of the 2024 plan and 149% compared to the previous year.

- Average income: 23,4 million VND, equivalent to 114% of the 2024 plan and 116% compared to the previous year.

### **Summary table of production and business plan indicators for 2024**

No.	Items	Unit	Actual 2023	Plan 2024	Actual 2024	% Actual /YoY	% Actual/ Plan
1	Total revenue	Million VND	708.615	858.000	872.554	123	102
2	Pre-tax Profit	"	15.303	15.500	23.114	151	149
3	Tax Contribution (Corporate Income Tax)	Million VND	2.323	3.100	4.741	204	153
4	Profit after tax/Average capital Ratio	%	8,2	8,4	12,3	150	146
5	Dividend Payout Ratio	%	6,5	7,5	10	154	133



6	Average income/person	Million VND/person/month	20,2	20,6	23,4	116	114
---	-----------------------	--------------------------	------	------	------	-----	-----

## ***2.2. Evaluation of production and business activities in 2024 by field of operation***

### ***2.2. 1. Investment and Development of Raw Material Areas***

In 2024, the Company implemented investment plans, with a total area of 2.512,6 hectares directly invested in tobacco cultivation, which is 101% of the 2024 plan (2.500 hectares) and 106% of the same period last year. The Company continued to sign investment agreements for tobacco cultivation and consumption with local districts and communes, as well as investment contracts with family groups or individual households. Additionally, the Company issued specific investment policies for each group and committed to investing 100% of agricultural materials according to technical procedures to ensure the improvement of product quality to meet customer requirements.

The procurement of raw materials for the 2024 spring season was planned by the Company well in advance before the purchase season began. However, the actual procurement process faced several challenges: ensuring that the required amount of raw materials was purchased on time for production while maintaining the quality standards needed for planned consumption channels. The procurement plan for 2024 was assigned to branches with a minimum target of 4.000 tons. Despite a 20% decrease in harvest yield and significant fluctuations in raw material prices, the Company implemented various measures to organize the procurement process, achieving 79% of the targeted procurement volume.

### ***2.2.2 . Tobacco Raw Material Processing and Manufacturing Activities***

In 2024, the Company will arrange industrial production activities, flexibly arrange production between 2 lines, prioritize the maximum production of customers' raw materials to increase the output of primary processing and separation of fibers and revenue for the Company, and at the same time arrange the production of the Company's raw materials. For the fiber processing line, balance the needs of customers and the Company's fiber production to maximize the capacity of the line, reduce production costs. The organization and arrangement of labor for production of 2 lines will be arranged by the Company by transferring a number of workers from specialized departments and branches to strengthen after the end of purchasing activities and combining with hiring additional service workers to ensure the simultaneous production of 2 lines depending on the production batch.

- *Preliminary processing of tobacco stalks:* The production line was maintained in a stable manner, ensuring production efficiency, and daily output was increased. The quality control activities were prioritized and met both the company's targets and customer requirements.

- *Tobacco fiber processing:* A positive signal was that the fiber processing line was maintained for continuous production. The company arranged flexible production, prioritizing customer orders while interspersing the production of the company's stalk fiber to meet the demands of distribution channels. In 2024, the fiber processing output reached 9.054 metric tons of finished products, achieving 139% of the 2024 plan and 155% compared to the same period last year.

### ***2. 2. 3. Sales and service provision Activities***



The company has continued to intensify its sales activities, proactively engaging with customers to understand their needs and actively promoting negotiations with customers to quickly reach agreements on production methods and sign delivery contracts. The goal was to ensure a balance between input prices, quantity, quality, structure, ratio, and product types, while minimizing financial costs. Export sales activities were prioritized to expand the market, with a focus on developing fiber products to increase product value, revenue, and efficiency for the company. In 2024, export output accounted for 20% of the company's total sales volume. Compared to 2023, the number of foreign customers and export volume had increased significantly. This was mainly due to ongoing territorial conflicts around the world, which disrupted the supply chain and caused a significant increase in raw material prices globally. As a result, the demand for affordable raw materials from Vietnam for the global market increased, and the continuous rise of the USD exchange rate in the early months of 2024 provided a competitive advantage for Vietnamese exports.

In addition, the company focused on activities related to sourcing and signing contracts for stalk processing and fiber processing with customers to ensure a proactive supply of materials for production and improve operational efficiency. Notably, the company successfully explored new distribution channels beyond traditional customers, creating opportunities for branches to purchase maximum quantities while also increasing sales volume, boosting revenue, and enhancing overall business performance.

#### **2.2.4 . Management, Restructuring, Human Resources, and Labor and Wages**

- *Organizational Structure Development:* The company continued to implement Resolution No. 01-NQ/ĐUCPNS dated January 4, 2021, by the Party Committee of Ngan Son Joint Stock Company, along with Project No. 285/ĐA-NST on "Renewal and Restructuring of the Organizational Structure, Management, and Governance towards Modernization to Enhance Operational Efficiency in the New Situation." In 2024, the company proceeded with the implementation of the plan to establish an Investment and Development Department, which covers areas related to the environment, infrastructure investment, and digital transformation efforts.

- *Human resource management:* The company organized and implemented regular and periodic reports on personnel, labor, wages, and submitted reports to superiors as required. It appointed and reappointed 1 Deputy Director, 1 Chief Accountant, 1 Deputy Branch Director, and 7 department heads. Annexes to labor contracts were signed for 7 new appointments, 12 transfers, and 4 security personnel after obtaining professional security certification. Annexes to labor contracts were signed with all employees following the government decree on changes to the regional minimum wage. The company processed the termination of labor contracts for 25 employees and completed retirement documentation for 2 employees, ensuring entitlement payments and arranging work for employees involved in accidents. The company allocated and arranged labor in alignment with production and business requirements, carried out employee transfers, reassignments, appointments, reappointments, and dismissals as necessary. The company also reorganized and planned the workforce to fit its organizational model. Specifically, in 2024, the company transferred 12 employees, reinforced 6 employees for the raw material branches, allocated 2 employees to the Logistics Department, and assigned 33 employees to the Production Workshop to support the procurement and industrial production phases.



- *Salary, Insurance, and Policy Management:* The company regularly directed departments to monitor, check, and supervise the implementation of the salary fund, remuneration, and annual bonus plans for both the company's management and employees. Monthly attendance and salary payments were processed on time as per regulations. To motivate and encourage employees to work with peace of mind and build long-term commitment to the company, as well as to demonstrate the management's concern for the employees' well-being, the company allocated bonuses on major holidays, provided vacation benefits for employees, and organized celebrations for the company's founding anniversary. Additionally, bonuses were granted for the completion of Q1, Q2, Q3, and Q4 targets, as well as for the fulfillment of the 6-month and annual plans for 2024.

- *Recruitment and training :* With the policy of "Focusing on developing human resources in line with the production and business development plans for each stage," the company emphasized and promoted the recruitment of high-quality human resources that meet the position standards. New employees would be trained to gradually replace positions that did not meet the job requirements. In 2024, the company signed new contracts with 47 employees, all of whom had the required professional qualifications. The company organized 19 out of 25 planned training sessions, with a total of 578 participants (of which 11 out of 25 sessions were conducted as planned and 8 additional sessions were organized based on requests from departments). The training content focused on depth, specifically on positions where individuals lacked skills or had not been trained in their professional expertise. In addition to the annual training and advanced professional development, the company emphasized training in areas such as Digital Transformation, Advanced Risk Management, International Sales Contracts, Corporate Culture, and Analytical Synthesis.

- *Legal Affairs:* The company has reviewed and revised its internal regulations to ensure compliance with legal provisions and align with production and business activities. Specifically, the company organized the review and proposed the issuance of 23 internal regulations and guidelines. The company issued Charter and Collective Labor Agreement. The company also prepared disciplinary documents for four employees violating the internal labor regulations. The company completed the process of introducing workers to disability assessment after workplace accidents. Additionally, the company initiated the development of a plan for "Vietnam Law Day" on November 9th. The company carried out procedures to obtain work permits for foreign workers. Furthermore, the company continued to review and consolidate its position standards to align with the revisions and additions to the functions and responsibilities of various departments.

#### ***2.2.5. Financial – Accounting Affairs, State Budget Collection and Control, Audit***

- The company developed and implemented a plan to balance capital requirements and cash flow, ensuring sufficient funding for the company's entire production and business activities. During the procurement phase, the company allocated capital to branches in a timely manner, ensuring effective use of funds.

- The financial operations were maintained under strict control, from cost allocations to individual units. The company regularly monitored, analyzed, and evaluated the cost of each batch of goods, reporting to the Executive Board to provide direction and make decisions regarding sales contract negotiations. Additionally, the



company reviewed and proposed amendments to its financial regulations to ensure compliance with established standards.

- The company proactively engaged with commercial banks to negotiate credit agreements with banks offering low-interest rates, forecasting cash flow to ensure sufficient capital for production and procurement. The company closely monitored accounts receivable and managed the risk of overdue debts. The total capital disbursed in the year from financial institutions amounted to 510 billion VND, with an average loan balance of approximately 72 billion VND per month, and an average interest rate of around 5% per year. This represented a reduction of 1% to 1,5% per year compared to the average market interest rate, leading to a decrease in loan interest by approximately 0,8 billion VND compared to the general market. The company benefited from waived and reduced bank transfer fees compared to the standard fees set by the banks. The financial expenses in 2024 were reduced by approximately 6,6% compared to the planned budget.

#### **2.2.6. Other tasks**

##### *- Application of Science and Technology, Innovation, and Waste Reduction Practices*

In 2024, the company continued to prioritize and emphasize science and technology initiatives, recognizing them as a key solution to enhance business performance and progressively instill awareness among employees. These initiatives were strongly supported by the company's departments, which implemented them in a systematic manner. In 2024, the company's Science Council approved 9 innovations and 8 improvements. The implementation and application of these innovations and improvements contributed significantly to the company's operational efficiency, with a realized benefit of approximately 1,6 billion VND from the initiatives and improvements.

The practice of saving and combating waste was systematically implemented by the company's leadership, with widespread communication, dissemination, and thorough reinforcement to each unit and all employees through the labor conference of both the unit and the company.

##### *- The work related to Occupational Health and Safety, Fire Prevention and Fighting, and Search and Rescue*

In 2024, the company developed a plan and directed the units to closely follow its contents, ensuring compliance with the Occupational Health and Safety Law (OHS) and the Fire Prevention and Fighting Law (PFF). The focus was placed on overseeing and inspecting the units, guiding them to assess and identify safety hazards and risks, and implementing measures to protect health and ensure safety in production activities. Safety measures, including technical labor safety and occupational hygiene, were systematically implemented to control hazardous factors, prevent accidents, and improve working conditions.

The company's leadership adhered to the principle that production should only commence when safety was assured. They endeavored to ensure that occupational health and safety (OHS) initiatives were organized and executed effectively, methodically, and systematically. The company instructed its units to strictly follow the OHS documentation that had been previously issued, while simultaneously undertaking efforts to refine and augment these materials to guide and standardize safety practices across all operations. This constituted a vital and indispensable undertaking in order to



systematically implement OHS protocols, thereby laying the foundation for the future development and enhancement of the company's OHS management system in accordance with the *"Occupational Health and Safety Management System ISO 45001:2018" standard.*

The company continued to organize training sessions, workshops, and guidance on the application of documentation for employees. Employees received supplementary training on occupational health and safety regulations, which enhanced their awareness and understanding of these practices. The company organized training sessions on occupational health and safety throughout the year in accordance with Decree No. 44/2016/ND-CP and Decree No. 140/2018/ND-CP. It also arranged fire prevention and fighting training and, in collaboration with the Bac Ninh Provincial Police, organized practical training on fire prevention and fighting and search and rescue operations, as well as on fire extinguishing procedures, and submitted requests for the issuance of corresponding training certificates in compliance with regulations.

The company's leadership continued to prioritize and direct the propagation and warning activities related to occupational health and safety and fire prevention and fighting, aiming to enhance employees' awareness and commitment to accident prevention.

## **PART II. BUSINESS PRODUCTION PLAN FOR 2025**

### **1. Forecast of production and business environment in 2025**

#### ***1.1. Opportunities***

- The decree replacing Decree 67/2013/ND-CP, issued by the Government to provide detailed regulations and enforcement measures for the Tobacco Harm Prevention Law regarding the tobacco business, is being finalized by the Government and the Ministry of Industry and Trade, with a policy to develop domestic raw material cultivation regions and reduce dependence on imported raw materials.

- The Government is implementing several measures to stabilize the macroeconomic situation, control inflation, and create conditions that will enable businesses to stabilize their production and operations.

- The increasing demand for raw materials, especially high-quality raw materials, from factories is the basis for the company to develop a strategy for cultivating regions and stabilizing raw material quality. From there, the company will invest in and procure high-quality raw materials to meet customer requirements.

- The company's fiber products, particularly coir fibers, have been highly evaluated for their quality by member units within Vinataba. This serves as the foundation for the company to continue researching and developing fiber products to meet customer needs.

- The strategic policy of the Vietnam National Tobacco Corporation towards its member cigarette companies in Vinataba, which prioritizes the use of Vinataba products, along with cooperation and investment partnerships with the company in the agricultural production sector, will contribute to stabilizing the tobacco raw material growing regions..

- The traditional cooperation and the maintenance of strong relationships between the company and the local authorities in the tobacco-growing regions, as well as with the tobacco farmers, will be a key strength of the company in its business operations,

0010  
ONG  
PH  
AN S  
DU - T.B



contributing to the stability of agricultural production, which will be the core value-generating sector for the company.

- The industrial manufacturing sector has established a strong reputation for product quality, creating a competitive advantage over other entities.

### **1.2. Challenges**

- The Prime Minister has approved the National Strategy on Tobacco Harm Prevention and Control until 2030, with the overall goal of reducing the rate of tobacco use and passive exposure to tobacco smoke, thereby contributing to the reduction of tobacco-related diseases and mortality..

- The regulations of the Tobacco Harm Prevention Law increasingly impact the operational activities of the entire tobacco industry.

- Macroeconomic policies regarding the tobacco raw material industry have numerous shortcomings, leading to the emergence of many businesses entering this sector, resulting in unfair and unhealthy competition.

- The domestic cigarette consumption volume is expected to experience significant fluctuations when the revised excise tax law is passed in 2025. The Ministry of Finance is proposing to introduce an absolute tax on cigarettes and cigars, which would increase annually for five consecutive years, reaching 10.000 VND per pack by 2030. Additionally, regulations concerning the gradual reduction of Tar and Nicotine levels will indirectly affect the consumption of raw tobacco leaves by domestic raw material production companies..

- Cigarette manufacturing companies are continuing to adjust their product structure by increasing the proportion of mid-to-high-end cigarettes and reducing the production of low-end products. This presents both an opportunity and a challenge for raw material companies, as it becomes more difficult to find outlets for low-grade raw material products.

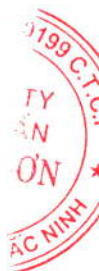
- The agricultural production sector is significantly affected by adverse weather conditions. Extreme weather events have impacted the yield, quality, and output of raw material harvests.

- It is forecasted that in 2025, the Northern region may experience a power shortage during the summer, similar to 2023, which could disrupt industrial production activities, leading to increased costs and product prices.

- It is forecasted that bank interest rates may decrease, but very slowly, due to concerns about inflation.

- The investment and procurement of raw materials in the areas managed and invested by the company has faced many difficulties as an increasing number of enterprises have entered the same market, engaging in unfair procurement practices. This indirectly encourages local farmers to disregard technical production processes and to sell raw materials to the company in an unregulated manner. In fact, in recent times, the company has encountered significant challenges due to farmers' reluctance to sell their products promptly, instead holding onto their goods until the end of the season to increase prices. This has led to delays in procurement and slow investment recovery, affecting the company's overall production and consumption planning..

## **2. Production and business plan for 2025**





Based on the evaluation of favorable and challenging factors, available resources, and the strategic direction provided by the Vietnam National Tobacco Corporation, the company has set the following business production targets for 2025:

- Expected revenue is projected to reach 945.000 million VND, equivalent to 108% of the actual performance in 2024.
- Expected pre-tax profit is projected to reach 26.000 million VND, equivalent to 112% of the actual performance in 2024.
- Expected tax contribution is projected to reach 5.200 million VND, equivalent to 110% of the actual performance in 2024.
- Expected profit after tax/average capital ratio is projected to reach 14%, equivalent to 114 % of the actual performance in 2024;
- Expected dividend ratio is projected to be 11 % , equivalent to 110 % of the actual performance in 2024;
- Expected average income per employee for 2025 is projected to reach 24 million VND/person/month, equivalent to 103% of the actual performance in 2024.

**Summary table of production and business plan indicators for 2025**

No.	Indicator	Unit	Actual 2024	Plan 2025	% Plan 25/Actual 24
1	Total revenue	Million VND	872.554	945.000	108
2	Pre-tax Profit	Million VND	23.114	26.000	112
3	Tax Contribution (Corporate Income Tax)	Million VND	4.741	5.200	110
4	Profit after tax/Average capital Ratio	%	12,3	14	114
5	Dividend Payout Ratio	%	10	11	110
6	Average income/person	Million VND/person/month	23,4	24	103

### **3. Solution groups to implement the 2025 production and business plan**

#### **3.1. Solutions for Investment and Raw Material Procurement**

##### *Solution for Investment in Raw Material Development*

Continue to closely follow the overall objectives and solutions, mechanisms, policies, and organizational implementation as per Decision No. 237/QĐ-TLVN dated August 11, 2022, from the Vietnam National Tobacco Corporation regarding the plan for raw material development for tobacco up to 2025, with an orientation toward 2030.

Implement the recommendations from the Government Inspectorate, the State Audit, and other inspection delegations.

Continue to carry out the Action Program of Resolution No. 151-NQ/ĐUCPNS of the Party Committee of Ngân Sơn Joint Stock Company to improve the productivity and quality of tobacco raw materials aimed at stabilizing and expanding the area in raw material regions.

Change the investment method from investing through household groups, which proved ineffective in 2024, where some household representatives exploited the company's



investment policies by delaying payments and pressuring prices, to implementing a direct investment method for all areas at the branches.

*Solution for Raw Material Procurement*

- Review and allocate costs for units based on the plan indicators assigned by the company to the raw material branches.

Purchase from farmers at contract prices, which remain fixed throughout the procurement process. Payments are made via bank transfer.

Provide full support to the units to ensure maximum procurement volumes to serve production and sales, while also reducing costs for the company.

Proactively collaborate with partners and customers to establish investment cooperation, ensuring a balanced supply of raw materials for production and distribution channels.

**3.2 . Solutions for Sales, Market, and Import-Export**

Accelerate the progress of goods delivery and receipt according to signed contracts, and actively urge debt collection to reduce costs to the maximum. Coordinate with the transportation units to organize and arrange appropriate means of transportation to ensure the timely delivery of the correct type, quantity, and schedule, meeting customer requirements. The total planned consumption volume for 2025 is 7.380 tons of various products.

Carry out other services such as consignment import of raw materials and provide goods storage services for customers to generate additional revenue for the Company.

Continue to implement Action Program No. 04-CTr/ĐUCPNS dated February 25, 2021, from the Party Committee of Ngan Son Joint Stock Company on implementing solutions for the development of the trade and service sector in the 2021-2024 period.

Proactively search for and approach customers, understand their needs. Focus on producing sample products to offer with the goal of meeting customer requirements for quality standards. At the same time, intensify the development of fiber products, combine with customer acquisition to gradually shift the product structure in order to increase the value of the products sold, creating conditions for the company to deduct part of the input VAT.

Continue to maintain good relationships with export customers who have been purchasing in recent years. Regularly gather market information, seek and exploit information on consumer demand from partners to develop production formulas for various product types that best meet the export customers' requirements.

**3.3. Solutions on financial accounting and cost control**

Restructure collateral assets to negotiate with commercial banks for higher credit limits and lower interest rates. Accelerate the process of debt collection from customers and fully exploit all potential sources of capital to ensure sufficient funds for production and business operations while reducing financial costs.

Adjust the asset structure by reducing inventory assets, strengthening investment management, and closely controlling receivables to prevent losses. Implement cost-saving measures to improve production, business, and service efficiency.





Regularly review the prices of input raw materials and seek to diversify supply sources while ensuring that quality is maintained. Concentrate management resources to reduce intermediary steps within the management system.

Enhance capital efficiency and develop financial capacity: Structure the capital sources appropriately based on the company's development strategy. Ensure sufficient capital for the annual business growth rate, with a focus on practicing savings and waste reduction.

Continue assigning cost targets to branches based on the cost allocation method (Fixed and Variable Costs) to allow units to independently balance their operations. Fixed and Variable Costs will be assessed by the company's specialized departments based on the economic and technical norms issued by the company, and the cost allocation will be determined based on the actual implementation from previous years, serving as a basis for the company's director to set the cost targets for the units.

#### ***3.4. Solutions for human resource organization, restructuring and business arrangement***

- Continue to research and improve mechanisms and policies related to restructuring, renewing management, and enhancing operational efficiency of the company. Strengthen training for management staff and workers to improve their skills and professional qualifications to meet the company's production and business requirements. Organize labor allocation for 2024 production in a way that ensures centralized, streamlined, and efficient operations in agriculture, industry, and office functions.

- Push forward with restructuring efforts to enhance the management quality and operational efficiency of the company. Complete and issue internal regulations in compliance with state regulations.

- Build a risk management system suitable for the Company's operations to effectively control risks, limit negative impacts, and influence the implementation of the Company's goals.

#### ***3.5. Digital transformation solutions***

Develop a digital platform, digital data, and promote digital transformation while ensuring information security. This includes the completion of the development of IT infrastructure and internet networks across the company to support digital transformation.

Establish the company's information systems and databases to serve the electronic business on a cloud computing platform infrastructure, implementing information-sharing protocols across network systems among departments and units. Form a centralized information hub for the entire company and enhance the digital reporting system from departments and units to company leadership.

Apply digital technology in management and operational activities, such as human resource management, training management, and the management of raw material cultivation areas through interconnected software systems. Standardize the circulation of documents through the electronic information portals. Invest in building a big data system capable of supporting the synchronization of data digitization across the company's operations.

Develop human resources to support digital transformation, including training, raising awareness, and improving skills to operate digital transformation activities for all employees. Ensure cybersecurity is a cornerstone for successful and sustainable digital transformation.





### ***3.6. Solutions for science and technology***


Continue to invest in science and technology activities to improve the operation of 2 production lines with the goal of ensuring optimal production service , competing with other primary processing and stem separation production units to attract customers, especially new export customers. This will increase production output in 2025 and subsequent years.

Encourage employees to engage in research and innovation in production and business operations, and establish a reward mechanism to turn innovation initiatives into a practical movement.

### ***3.7. Other solutions***

- Continue to maintain the quality management system according to international standards ISO 9001-2015, the environmental management system according to ISO 14001-2015, and implement the 5S-4M program.

- Continue to implement the Sustainable Tobacco Production (STP) program as committed with the BAT-Vinataba Joint Venture in tobacco production.

Thank you very much./ 

#### ***Recipients:***

- General Meeting of Shareholders;
- Board of Directors;
- Archived: Administrative, Strategic  
Department, Planning and Business  
Department.

**DIRECTOR**



**Nguyễn Chi Thanh**